



## Legal & General signs £150m Social Loan to deliver 5,500 new affordable homes.

Legal & General announces that it has signed a £150m Social Loan whereby Use of Proceeds will finance 5,500 affordable homes to help address the significant demand for affordable housing across England. The loan was arranged by BNP Paribas, HSBC UK, and SMBC Group, in a transaction with Legal & General Affordable Homes (LGAH).

The deal was structured as a Social Loan, which is available on projects that help tackle pressing social issues such as the delivery of more affordable housing. This is the first UK insurance syndicated Use of Proceeds social loan, and it adheres to the Loan Market Association (LMA) Social Loan Principles, with all schemes screened by LGAH's Scrutiny Panel, who oversee the selection, evaluation and monitoring of investments. BNP Paribas acted as Social Loan Co-ordinator, Joint Lead Arranger and Lender; HSBC UK as Facility and Security Agent, Joint Lead Arranger and Lender; and SMBC as Joint Lead Arranger and Lender, with each bank committing £50m.

LGAH was launched in 2018 to increase the supply of affordable housing and now operates over 2,500 homes across the country, with a further 6,500 in its pipeline. As one of the Government's strategic partners on the provision of affordable housing, LGAH's mission is to significantly increase the supply, sustainability, and quality of affordable homes, aiming to deliver best-in-class customer service. Its aim is for the provision of its services to help reduce inequalities, improve people's health and well-being, making a positive contribution to the communities it serves. The new loan will help accelerate the delivery of homes for social rent, affordable rent and shared ownership across the country.

**“Since launching four years ago, Legal & General Affordable Homes has deployed institutional capital at pace to accelerate the delivery of affordable homes across the country. In the last few years, Legal & General has committed over £1bn of its own retirement funds to these efforts, and they will be used alongside this innovative social loan structure. This product reinforces our commitment to the sector, and our work to help reduce inequalities in communities across the country. Whilst we are pleased with our progress, 1.4million households remain on social housing waiting lists across the UK and there are still major challenges to address this shortfall. With a new government being formed, we hope the affordable housing agenda will be central to any new policy and look forward to continuing to work in partnership with the sector to deliver the housing the country so desperately needs.”**

**Chris Hewitt, Financial Director of Legal & General Affordable Homes**

**“BNP Paribas is delighted to have partnered with L&G Affordable Homes on this social loan. This collaboration demonstrates the power of sustainable finance to support affordable housing, wellbeing and community engagement. The alignment with the LMA Social Loan Principles catalyses best practice in the sector, and the transparency embedded into the loan is a further feature to ensure tangible social impact.”**

**Laetitia Girolami-Boyer, Sustainable Finance Markets Director, BNP Paribas**

**“As a bank, HSBC UK are committed to the principle of ‘achievable change’ and supporting our clients to accomplish their business goals through tailored and innovative solutions. We want to show our clients how their ambitions for sustainability and social responsibility will not only have a big impact on the world around us but make good business sense. We are committed to supporting our clients’ sustainability ambitions through tailored and innovative solutions like this social loan for Legal & General Affordable Homes.”**

**Robert King, Head of Sustainable Finance at HSBC UK**

**“We are delighted to be enhancing our relationship with L&G Group via this Social Loan facility which will help to provide over 5,000 affordable homes in some of the most deprived areas of England. This facility is a perfect example of SMBC’s strategic goal to provide social and sustainable finance to support the real economy.”**

**Paul Duffy, Head of Client Coverage, Global Financial Institutions Group EMEA at SMBC**

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## Notes to editors

### About Legal & General

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with over £1.4 trillion in total assets under management\* of which a third is international. We also provide powerful asset origination capabilities. Together, these underpin our leading retirement and protection solutions: we are a leading international player in pension risk transfer, in UK and US life insurance, and in UK workplace pensions and retirement income. Through inclusive capitalism, we aim to build a better society by investing in long-term assets that benefit everyone.

\*at 31 Dec 2021

### About Legal & General Capital

Legal & General Capital (LGC) is Legal & General Group's alternative asset platform, creating assets for Legal & General Retirement and third-party clients in order to achieve improved risk-adjusted returns for our shareholders.

LGC has built its market leading capabilities in a range of alternative assets, delivering depth of resource, track record and intellectual property. Investing in the real economy and creating alternative assets that deliver a tangible societal impact, its purpose is to invest society's capital for society's benefit. LGC's include: residential property; specialist commercial real estate; clean energy; alternative credit; and venture capital.

L&G has invested over £30bn in levelling-up regional economies, including through major regeneration schemes in Cardiff, Newcastle and Salford. Legal & General made a commitment to enable all new homes across its portfolio to operate at net zero carbon emissions by 2030, including Legal & General Modular Homes, CALA Group, Legal & General Affordable Homes, Build to Rent and Later Living.

## Further information

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